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Testimony of Deborah Chernoff, Public Policy Director  
New England Health Care Employees Union, District 1199, SEIU  
Before the Government Administration and Elections Committee, March 10, 2014  
*Supporting: SB 351 – An Act Concerning the Assessment of Proposed Privatization Contracts*

Good afternoon, Senator Musto, Representative Jutila, and distinguished members of the Government Administration and Elections Committee.

My name is Deborah Chernoff and I serve as Public Policy Director for the New England Health Care Employees Union, District 1199/SEIU, the state's largest union of health care workers.

On behalf of our 25,000 members, who work in both the public and the private sector I am testifying in support of SB 351 – An Act Concerning the Assessment of Proposed Privatization Contracts. This bill strengthens the current statutes requiring cost benefit analyses of proposals to privatize state services.

Changes to the language of the bill would require such analyses for all private contracts, even for services that have previously moved to contracts with private sector providers. This will prevent Connecticut from operating on auto-pilot, making assumptions instead of ascertaining facts, and relying on outdated, faulty or incomplete information.

In our union, we are very cognizant of the changes in the provision of human services, especially those services under the aegis of the Department of Developmental Services. There has been a significant and accelerating shift to private contractors. Without the language changes in SB 351, that shift will continue without any real analysis of whether costs and quality are better. Presuming to know is not the same as real knowledge.

A few weeks ago, many members of this legislature heard directly from large numbers of parents, clients and caregivers about the significant shortage of services, especially residential services, for people with intellectual and developmental disabilities – shortages that exist

across the public-private spectrum. We know what greater privatization was supposed or assumed to result in: lower costs and, therefore, more resources. But the resources are clearly inadequate to meet the need – in fact, many families see services shrinking rather than expanding. That’s why we need thoughtful analysis of costs, benefits and actual need—so we can address what many parents and guardians are describing, with no exaggeration, as an ongoing emergency.

Just a few years ago, we were told that a Managed Care approach to state Medicaid programs like HUSKY was the right path to better quality care at a lower price to the state. That assumption proved false. To ensure that we are making the right decisions about to provide quality services to our fellow citizens in Connecticut, we should never let contracts simply auto-renew like subscriptions to anti-virus software. Contractors change, circumstances evolve, and conditions alter. What worked well in the past may be the wrong approach to meet current needs.

The proposed changes to current statute are thoughtful and effective updates, reflective of the intent and spirit of the original legislation. The members of District 1199 urge this Committee to approve SB 351.